

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## Local Government Tax Control Board Meeting Minutes December 16, 2008

**Call to Order:** The monthly meeting of the Local Government Tax Control Board was held on Tuesday, December 16, 2008 at 10:00 AM. The meeting was held in the Indiana State Library, Room 401; 140 North Senate Avenue; Indianapolis, Indiana 46204. Those in attendance were Lisa Decker, Dan Jones, Ken Kobe, Chuck McLean (Administrative Officer), and Tafrica L. Harewood (Interim Administrative Secretary).

**Minutes and Discussion:** Ms. Decker called the meeting to order at 10:15 AM. There were no minutes available for review.

### Town of St. Leon

Dearborn County

### *Emergency Levy Appeal*

**Summary:** The Town counsel has declared an Emergency because of they do not seem to have a grasp on their fiscal situation. They need additional cash flow to buy time to resolve the challenge.

2008 Net Assessed Value:	\$36,870,550
Total amount of Appeal:	\$367,000
Units Rate impact	.9953
District Rate impact:	.5370

The Unit has provided no Proof of Advertisement. Adopted: resolution not provided.

**Present for hearing:** John H. Watson, Town Attorney; C. Doug Farrow, Town President; Kevin Alig, Clerk-Treasurer; Darlene Newkirk, Clerk.

Ms. Decker asked for information about what is going on with the Town of St. Leon. Mr. Watson introduced the representatives from St. Leon as well as the appeal. He explained that for the last ten to twelve years the town had employed an independent contractor to handle budget and claims, and about two years ago problems arose. June 2007 they found it necessary to discharge the accounting firm that was doing the work, however all contacts with the DLGF and State Board of Accounts (SBA) were through this firm. Mr. Watson stated that once they contacted these entities St. Leon found that they had not submitted an appropriate budget in years. They began working with their field representative who informed them that their rates and levies were improperly calculated. Mr. Watson remarked that during the time that the firm was responsible for budgets and claims, the riverboat funds were used to fund the town, which from a planning and political perspective the town could not continue to rely on that type of financing alone.

Mr. Watson shared that Cathy Stockhoff has helped them a lot to try to present this information as well as possible, and the appeal the town has submitted included numbers they thought would be reasonable and reflected the increase in expenditures. Mr. Watson commented that it may be excessive, and that that \$367,000 does include some thoughts about shortfall for 2008. He shared with the Board that the town would like to use riverboat funds for capital funds, etc. The general fund estimate was \$271,000, but they advertised \$250,000 and realize the implications of this for approval.

Mr. Watson continued with a brief history of the town and its accounting. He admitted that the town may not have all of its records given their former situation. They have rented a town hall and hired staff, who now work with the DLGF and SBA directly on the town's budget issues. Mr. Watson discussed further expenses. As requested by Mr. Kobe, he then distributed copies of the budget for 2009.

Ms. Decker asked about the annual revenue. Mr. Watson said it is about \$130,000. After some discussion, Mr. Watson's data revealed that the town has about \$600,000 in cash or investments, much of which is marked as sewer funds. Mr. Wayne Hudson, DLGF Budget Field Representative has been helping them as well.

Ms. Decker asked for additional questions. Mr. Jones asked for the date of the last audit. Mr. Watson responded 12/31/07 and their examination results were issued in August or September of 2006. Mr. Jones asked if the \$300,000 in CD's was from gaming money. He asked what the audit said. Mr. Watson replied that it was from gaming funds and the audit attributed the money to the sewer fund. He also shared that there was a \$1 million loan; there was a reserve that was established through the Indiana Bank Bond and administered through the City of Lawrenceburg.

Mr. Jones asked if it was the case that they had \$600,000 in investments and did not know to whom they belonged. Mr. Watson clarified that they belong to the town in one way or another. Mr. Kobe asked if the money in investments was available fund town expenditures. Mr. Watson said that he believes they are. Mr. Kobe then clarified a few points about the town's financial picture: there is a \$271,000 budget, there are miscellaneous revenues available, unsure of operating balance, there are significant assets, and they have advertised \$250,000, so that is the limit to what the town can levy next year. Mr. Kobe wanted to know if the LGTCB was missing anything else. Mr. Watson told him that the town also wants to use the riverboat funds to build a town hall and work on the roads.

Mr. Kobe asked about the population of the town, because this budget will be paid for by them. Mr. Watson replied that there are about 500. Mr. Kobe asked if there was a mostly industrial base or if the area was mostly residential. Mr. Watson replied that there is little commercial and industrial business base. Mr. Kobe asked if this budget was going to be funded mostly by residential taxpayers. Mr. Watson replied yes and with this additional revenue amongst other things they are hoping to attract industry.

Ms Decker asked about the earlier comment that they receive \$180,000 from the riverboats and in the budget it looks like \$317,000. Mr. Watson admitted that he misspoke. Mr. Kobe asked what the max levy is. Mr. McLean said it was not available at this time. Mr. Jones stated that the current levy is around \$500. He then asked what services the town provides. Mr. Watson said that the town provides an annual payment for fire services, and they have one town marshal and are looking to add a second officer. In addition they offer sewer utility, water (is provided by a 501(c) 14), salt and sand the roads, they contract for ditching services, and the also do mowing and maintenance of sides of the road.

Mr. Kobe clarified that they want to impose a \$1 rate and pointed out that there will be people with different views on how important a town hall is versus the impact of a \$1 rate. Mr. Watson

acknowledged that there is support for the townhall and that there may be some opposition. Mr. Jones asked if they are clear that they are essentially doubling what people have been paying.

Ms. Decker asked if there was proper advertisement and a resolution passed. Mr. Watson stated that it had and he could send it.

Mr. Jones commented that there is no emergency and the town has time to establish a budget so that they can establish a continuing operating levy. He stated that they should look back and find out where all the fund balances belong.

Mr. Kobe proposed that they can use some help in getting this done and their field representatives should have some suggestions.

Mr. Kobe made a motion to recommend denial of the appeal. Mr. Jones seconded.

**Discussion on the motion:** Mr. Jones stated that the town could reapply next year to reset the levy.

Motion carried 3-0.

## **City of Brazil**

### **Clay County**

#### *Correction of Error*

**Summary:** The City wishes to correct a compounding error in its budget advertisement. The net effect of the appeal will be to allow the Unit to move money between funds for better city operation and no increase in property taxes.

The Unit provided its 2009 budget but no other financial data, resolutions, or notices. They may presume it is not necessary.

**Present for hearing:** Dan Hedden, CPA/Principal Umbaugh; Karen McQueen, City Clerk-Treasurer.

Mr. Hedden introduced himself and Ms. McQueen and stated that they were there for a correction of error that would in effect change only allocations, but not the levies or rates. He shared that the levy was to be three times higher than the amount that was advertised. This would cause undue hardship on the city if the DLGF follows their usual course of action which is to approve the advertised amount. Mr. Hedden reviewed some of the issues the City of Brazil was facing when they hired Umbaugh to assist with their budgets and more. The City had not reconciled their computer accounting system in a few years, so their firm was brought on to help them understand the situation and correct previous years' errors. He stated that the firm worked on resolving these issues from February to November of 2008 and the plan was not complete before finalized budget had to be released. They inflated the budget by 25% to create flexibility and in accordance with the City's recovery plan, but the planning model was incomplete and the degree to which they increased budget was not sufficient to cover needed. Mr. Hedden shared that at this next Council meeting a new resolution will be signed accepting the plan and there is no indication that it will not pass. He also commented that the numbers are with or at the DLGF set max levy. He stated that the amount advertised was \$1,844,000, which is well above the amount allowed for 2009. The adopted levy is \$1,895,000. The general fund needs more allocated to it than what was advertised, and this was the error.

Ms. Decker asked what effect the lower allocation in the motor vehicle highway fund would have. Mr. Hedden replied that over the years that fund had accumulated some resources that they will be spending down.

Mr. Jones asked about the current levy as advertised being set at \$1,700,000. Mr. Hedden concurred. Mr. Hedden stated that in review of the 2009 financial plan and allocations and gave them a picture of how the firm has been working to clarify the resources of the city and match them with the service needs. Page 7 is that financial plan based on slide 5 allocation details. Based on planned spending and other sources of revenue coming into the City, Mr. Hedden stated that the general fund would come to year's end with an \$89 balance. He stated that the City understands that there is more work to do, that the operating balance is 9.34%, and it should be at least 16.66%, with two to six months cash in reserve. He reiterated that this correction would have no effect on the taxpayer and that the City advertised more than the maximum levy. Mr. Hedden added that the reallocation of funds is necessary to meet the core needs of the City. He stated that if the appeal is not granted, the City would end up with resources in the wrong funds which is going to lead to a lot of accounting and reporting issues that they will have fix later.

Mr. Kobe asked about the miscellaneous revenues of \$1.4 million, particularly fire and police pensions, stating that if those are unrestricted, they could just be moved around and alleviate the appeal altogether. Mr. Hedden replied that some of the funds are restricted and outlined where they belong. He stated that the miscellaneous revenues are the additional distributions being given for fire and police pensions from the state. In addition, he stated that there were CAGIT funds, fire protection district funds, etc. In response, Ms. Decker's earlier question, Mr. Hedden responded that the reason the MVH funds were lower for 2009 and had been historically was because of the funds they had built up and that information was shown on the pages he was then sharing with the Board. Mr. Hedden also stated that plan was to get as many of those funds as possible into the general fund.

Mr. Kobe asked about how disbursements from 2008 and how they compare to those for 2009. Mr. Hedden did not have the information readily available; however one of the things that was not within the information provided was that the City received 100% increase in their health insurance premiums in 2008. As a consequence, Mr. Hedden stated, this would be one reason why there is a drop in the budget from 2008 to 2009, because of the work the City has done in this area. With regard to questions about employee insurance premiums Ms. McQueen clarified for the LGTCB that there are some who are now paying 10% of their premiums whereas before they paid zero.

Mr. Jones asked how the City was accounting for the fact that the State was picking up the pensions for fire and police. Mr. Hedden responded that in their proposal in the section for miscellaneous revenues, the majority of that was from the pensions. He then gave the specific amounts for the police and fire pensions. Mr. Jones clarified that this was to reduce the maximum levy. Mr. Hedden replied that this had been accounted for and the information could be found in their packet on the maximum levy sheet, specifically page 7 of their proposal which includes about a \$159,000 reduction.

Mr. Kobe restated that he accepts that the maximum levy is not going up. Mr. Hedden confirmed that. Mr. Kobe asked if they were taking advantage of the funds available to them in police and fire pensions. Mr. Hedden replied that was not the case. They reviewed the budgets of each fund and came up with a dollar amount that was needed and allocated available funds where the needs were. Mr. Kobe asked if all of the unrestricted miscellaneous funds were in the general fund. Mr. Hedden stated that they were. Mr. Kobe then wanted to know if it was property taxes that were left over. Mr. Hedden stated that was correct. Mr. Kobe requested evidence of the estimated spending versus actual spending in 2008. Mr. Hedden stated that he did not have that information available. Mr. Kobe then commented that it was critical to his decision. Ms. McQueen and Mr. Hedden offered information about how the City is working to close the gap between expenses and revenues.

Mr. Kobe asked if anyone could advise the LGTCB on their authority in this matter. Mr. Hedden quoted I.C. 61-1.1-18.5-14 on correction of error.

Mr. Jones responded that we must determine if this is a reallocation of funds based on error or the restructuring of City budgets. He then asked how the current levies compare with 2007. Mr. Hedden replied that 2008 certified levies are available and he had the 2007 1782 notice and property tax information for 2005 to 2007 as well, which he could share with the Board.

After Mr. Hedden shared the information with Board, Mr. Kobe stated that he could support this from the aspect that it has no impact on the tax rate and this is information that the Commissioner was likely going to want.

Mr. Kobe made a motion to recommend approval of correction of error and Mr. Jones added that the tax payers should not lose the benefit of SB1001. Mr. Kobe agreed. Mr. Jones seconded the motion.

Motion carried 3-0.

**Comments on the motion:** Mr. Jones reiterated his concern about tax bill 1001 and Mr. McLean added that there should be verification of how they are spending their funds to show if this is simply a reallocation or a budget fix. Mr. Kobe also asked the City to provide its expense history to the Commissioner.

## **Brown Township, Montgomery County *Township Assistance Loan***

Summary: The Trustee is requesting the opportunity to raise the Township Property tax levy \$35,000 to cover the increased cost of Township assistance.

Amount requested: \$19,000

Tax Increase Needed .0354  
Current Tax Rate for the District

January 1 Cash Balance	\$1920.00
Plus: Current Year's certified Tax Levy	\$2337.00
Plus: Estimate of Current Year's Revenue	\$7882.00
Total Funds Available for the Current Year	\$12,139.00
Less: Encumbrances	0
Less: Current Year's Expenditures	\$24,000.00
Remaining Funds	(\$11,861.00)
Advertised Year's Budget	\$40,000.00
Adopted Current Year's Budget	\$40,000.00

Publication: 09/18/08

Hearing: 09/30/2008

Date Adopted: 09/30/2008

**Present for hearing:** Linda Chesterson, Bookkeeper; Darrell Simpson, Trustee; Betty Simpson, Deputy.

Ms. Chesterson stated that they finally realized there was a deficit. However due to the July arrival of their budget order and the fact that there was not indication from their budget workshop in 2007 that they were not going to get anything near what was on their worksheet, there was a delay in their realization. Ms. Chesterson stated that the budget was approved for \$13,000 versus \$24,000, and by June they had already spent \$15,000. She stated that Mr. Stinson had been helpful with the establishment of a debt service fund of \$20,000. Ms. Chesterson explained that the proposed budget is \$40,000, which they are requesting based on June expenses and a desire to have help with 2009. She shared that Montgomery County is “ahead of pack” in job loss. Ms. Chesterson also commented that the amount had been advertised. Additionally, she shared that they would like to apply for an emergency loan; they have already cut back on township assistance; and energy costs have come down. Ms. Chesterson also indicated that they are now at \$20,000 in their Township Assistance expenditures for the year, so she anticipates that they will come in under \$24,000.

Ms. Chesterson further explained that their surplus was exhausted in 2008. They felt that if they borrowed \$19,000 at a 3.5% interest rate for a year, it would give them a cushion for operating capital 2009 and cover them for the remainder of this year. Ms. Chesterson stated that they know they will not spend \$40,000 in 2009, but, Ms. Judy Robertson suggested leaving the request at that amount and working to reduce expenditures. The board adopted the \$40,000, so they would be sure to get their maximum rate and then once they find out what their approved budget is the spending can be brought down to that rate. Ms. Chesterson went on to share that Ron Stinson, in August, stated that though it will take time for the 2009 budget orders, by looking at their 2009 papers if they stay within the \$20,000 to \$24,000 range, that should come in line with their approved budget.

Ms. Decker asked for information on the request. It was distributed by Mr. McLean. Mr. Kobe wanted to verify the numbers. Mr. Jones asked about the January cash balance of \$1,920. Ms. Chesterson stated that this did not include the December 7 settlement, however it is correct and the settlement is included in the revenues. Mr. Jones asked about the 2008 certified levy of \$2,337, with current year revenues of \$7,882. With the clarification on the numbers, he stated that it is the practice of the LGTCB to provide for the deficit of the current year only. Ms. Chesterson commented that the township has done all they can do to tighten the belt.

Mr. Jones made a motion to recommend approval of a township assistance loan in the amount of \$11,861. Mr. Kobe seconded.

Motion carried 3-0.

Additional discussion: Ms. Chesterson asked if it would be okay for her to go ahead and apply for the loan, because they will have to apply for additional appropriation. The Board advised her to do everything except sign for the loan until she has the official order in hand.

## **Georgetown Township Fire District**

### **Floyd County**

#### *Establishment of a Levy*

Summary: The unit is requesting a levy to support the newly formed unit established February 7<sup>th</sup> 2006, and will be effective to collect property taxes in 2007.

Requesting:	Budget	Levy	Rate
	\$1,150,050	\$818,365	.2318

Benefits are 37% of salaries.

Capital Outlays capitalized over five years = \$32,900

Revised	Budget needed	Levy needed	Rate needed
	\$1,018,450	\$686,756	.1945

## **Lafayette Township Fire District**

Floyd County

### *Establishment of a Levy*

Summary: The unit is requesting a levy to support the newly formed unit established February 7<sup>th</sup> 2006, and will be effective to collect property taxes in 2007.

## **New Albany Township Fire District**

Floyd County

### *Establishment of a Levy*

Summary: The unit is requesting a levy to support the newly formed unit established February 7<sup>th</sup> 2006, and will be effective to collect property taxes in 2007.

The fire department's benefits are 25% of salaries.

The fire department has already capitalized their capital outlay over a five-year period. No adjustment is needed to budget, levy or rate.

**Editors Note: These 3 Units are to be examined together. These 3 fire districts came before the board on 6/22/2006. I have provided the data you received in the summary and the minutes from the 6/22/2006 meeting. The unit wishes to review your approval and how the levy was set. They contend, and will argue, an error has been made between your recommendation and your intension. That they did not discover the error until 10/08 due to County delays in assessment. And that the error has caused the initial levy to be set incorrectly. The DLGF determined this would be the correct venue to hear the arguments.**

**Present for hearing:** Karen Arland, General Counsel for units; Jeremy Klein, Lafayette Township Fire Chief; Frank Cummings, Consultant for units; Jim Kron, Georgetown Township Fire Chief; Jamey Noel, New Albany Fire Chief.

Mr. McLean explained that it was decided by the Commissioner that the best place for the issues of these three fire districts to be discussed was before the LGTCB. Karen Arland introduced the units and their representatives. She stated that they were present to correct a 2006 error issue, which was that CAGIT was inadvertently included in the calculation and it reduced the levy more than it should have been. The result as she shared was a 25% reduction in their needed funds for 2007 and a 50% reduction in 2008. Their request for is for the LGTCB to recommend reduction of the CAGIT and approval of a correction of the error made in 2006 so that the levy will be set correctly for 2008 and beyond. She stated that the financial advisor put together information for what they are proposing.

Mr. Kobe asked what the amounts of the levies are for each township. Mr. Jones read the amounts to the group for clarification: \$213,572 for Georgetown, \$169,464 for Lafayette, and \$201,823 for New Albany.

Mr. McLean asked what the error was exactly, because the order matches what the units filled out. Ms. Arland responded that the units made the error. Mr. McLean asked if the forms were filled out in 2006 for pay in 2007 and if it was the case that 18 months later the units were coming back to the DLGF to ask them to fix their mistake. Ms. Arland replied that the control board saw then that the CAGIT would not be included. Mr. McLean asked if it was possible for the units to come together as one fire district, because the levy would be reset with the merge.

Mr. Cummings stated that fire districts were fearful that with a merge the volunteers would lose enthusiasm, though they realize the benefit of becoming one unit. Mr. McLean clarified that the problem was that the units do not want to alienate the volunteer firemen by consolidating which would fix the problem.

Mr. Jones asked how the County Council voted. Mr. Cummings responded that they voted unanimously to approval of their budgets. Mr. Jones asked if it was at this amount. Mr. Cummings stated that it was at a much higher amount than what was approved. He continued by saying that in 2008 the local tax option was taken out and the increase was zero.

Mr. Kobe asked if the LBTCB was being asked to correct the 2008 or 2009 levies. Ms. Arland stated that the Board is being asked to correct the max levy in 2007 so that the 2009 will be set at the appropriate level.

Mr. Noel introduced himself and stated that the request is the same for 2007 as it is for 2008 and 2009, \$998,900. This is the total dollar amount with CAGIT added as revenue for 2007. Mr. Noel added that the communities and the councils wanted to keep three separate fire protection districts because of the differences in their AV's for the three townships. He stated that they are simply asking for the same thing to be carried forward from 2006. Mr. Kobe stated that that was helpful and asked if someone could tell the Board what the tax impact is. Mr. Cummings responded that if given a couple of minutes he would.

Mr. Jones asked if the council realized that the tax increase was 25%. Mr. Noel responded affirmatively, stating that their 2009 budget had been approved. He mentioned that they would have to lay off half of half of their paid staff and there is no way they could operate. So, they went in and put in a bare-bones budget and agreed that each district would work together as much as they could. They are fearful of being in a position that is worse than years ago when they started.

Mr. McLean asked if the amount of the appeal was advertised. Ms. Arland stated that it was not because the formal appeal was initiated by legal counsel of the Commissioner and not the townships. Mr. Jones clarifies that this is actually an amendment and not an appeal.

Mr. Cummings responds that the tax rate has been advertised. Mr. Cummings gave the numbers requested earlier by Mr. Kobe. The overall tax rate increase will range from 3 to 4 cents for the three townships. Mr. Kobe asked if there were any questions about the LGTCB's or Commissioner's authority in this matter.

Mr. Kobe made a motion to amend the 2006 order to reflect the differences in their 2007 maximum levy with respect to the three fire districts. Mr. Jones seconded.

Motion carried 3-0.

Ms. Decker called for a break at 11:50 AM

The LGTCB was called back to order by Ms. Decker at 12:10.



**Town of Topeka**  
**LaGrange County**  
*Annexation Appeal*

**Summary:** The unit is seeking a total of \$30,000 in increased property tax levy to provide road services to the 1.5 miles of additional roads that came into the town with an annexation.

2008 Net AV	\$48,415,005
Unit Rate Impact	0.3.0507
District Rate impact	0.2204

2008 Levy	\$590,313
2009 Proposed Levy	\$60,000

Advertised: MVH Fund \$30,000 09/05/2008 Adopted: 09/17/08

**Present for hearing:** DeWayne Bontrager, Town Clerk-Treasurer.

Mr. Bontrager shared that they had recently annexed 100 acres and the capital outlays need maintenance. Since the annex they have TIF'ed 60 acres; there's an additional 20 acres designated for industrial use. He also stated that the town is purchasing an addition ¼ mile of road, which will also require maintenance. He commented that the request is predominantly for salt, some machinery (snow-plowing in particular). He stated that this portion of the road is in the TIF area, about 6,000 feet of sanitation lines have been laid, and they are adding bike paths, which means additional maintenance as well.

Ms. Decker asked if in 2007 these additional expenditures were considered with the original request for annexation. Mr. Bontrager responded that some changes had been made, like the hiring of a full-time fire chief which was an additional \$100,000 expense for the town, funded out of the general fund. They are also being affected by the downsizing taking place in the workforce. Ms. Decker stated that the main concern is the additional cost to existing taxpayers. Mr. Bontrager responded that with the additional ...

Mr. Kobe clarified that this is about a six cent rate impact as opposed to the \$3 or more that was submitted. Mr. Jones stated that it was about at 2% increase.

Mr. Kobe motioned to recommend approval of the Town of Topeka annexation appeal in the amount of \$30,000. Mr. Jones seconded.

Motion carried by a vote of 2-1. Ms. Decker cast the dissenting vote.

**Worth Township**  
**Boone County**  
*Annexation Appeal*

**Summary:** The unit is seeking a total of \$860,583 in increased property tax levy to provide EMS service to the newly expanded annexed Whitestown.

2008 Net AV	\$137,580,726
Unit Rate Impact	0.5628
District Rate impact	0.2894

2008 Levy	\$32,160
2009 Proposed Levy	\$822,000

<u>Advertised:</u>	Fire Fund	\$782,000	09/17/2008
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**Present for hearing:** Jeff Peters, Financial Advisor; Robert Guest, Township Trustee; Jeff Logston, Township Attorney; Harold Vinson, Fire Chief; Robert Wilkens, Deputy Chief.

Mr. Peters introduced the representatives from Worth Township. He reintroduced their appeal providing background information on the expansion of the area as well as the 157% overall increase in emergency activities by the fire department. They currently run their department through emergency funds and were before the LGTCB to request funds for an extension of services based on increased costs due to additional geographic areas being served by the fire department. Their tax levy was set at \$20,000 and they are asking for an additional \$774,000 to continue transition from volunteer to paid stand-by which is how they currently run, to full-time career firefighters with some part-time people.

Mr. Peters explained that they are reaching their capacity for borrowing based on the debt limit placed on them. Boone County captures all the best AV which drives up the AV and drives down the tax rates. In addition the township does not receive any COIT funds. However with the appeal they would be able to return the 57 cent paid on the dollar to the taxpayer and abandon some portion of their tax levy. Furthermore, Mr. Peters asked that the LGTCB deal with the Worth request as they did with the Vernon Township request, adding to the order a requirement for them to verify that all funds were going to be used solely for fire and emergency needs.

Mr. Logston added that Worth qualifies for the appeal on the basis of extension of services to additional geographic areas or persons. He stated that coordination or consolidation of services is being worked on, however there were no agreements in place yet and they would not ask the LGTCB to make recommendations based on contingencies.

Mr. Kobe asked when the township extended services. Mr. Logston responded that it was in 2005 payable 2006. Mr. Peters indicated that one of their current agreements may take them into Eagle Township in 2009. Mr. McLean commented that their appeal would be much better received with the geographic argument. Mr. Kobe agreed. Mr. Logston said that part of their qualification was based on the 4 year window given for the time between the service rendered and that appeal. He then restated their justification for the appeal as having a geographic basis.

Mr. Kobe asked if the \$774,000 was the limit in terms of what they believed absolutely necessary to run the fire and emergency services in 2009. Mr. Peters stated that assuming all things come in on the spot, which they never do, Worth would close December's books to them exactly what kind of loan they would need for 2009. They would then submit that information to the DLGF to confirm that they were only asking for what they needed.

Mr. Kobe noted that part of the request from the LGTCB was for more detailed information. Mr. Peters shared some of this information verbally with the Board. The budgets were as follows:

\$393,371	2007 (After additional appropriations)
\$577,000	2008
\$878,000	2009

Mr. Jones asked for the loan amount in 2008. Mr. Peters stated that it was \$379,000 in 2008 and \$283,780 in 2007. Mr. Jones asked again if they were asking for \$774,000 in 2009.

Mr. Vinson stated that runs have triple and with Amazon moving to the area there had been seven runs to their facility already this month alone. In addition they are a 24-hour facility. Medco has also moved to the area with more employees to service. At this time, Mr. Vinson shared that they only have one apparatus that meets FCA standards. Their current volunteer roster is down from 30 to 4 people.

Mr. Peters stated that the gap is widening between the demand and the assets pledged by the township for protection. Mr. Kobe responded by saying that they will get more efficient as the runs increase in number and the runs will not cost as much to make. Mr. Kobe also pointed out that 170% budget increase is pretty significant.

Mr. Jones asked if they realized that this was a 56 cent increase, which was a 27% increase to the overall tax rate. Mr. Kobe pointed out that it was a 200% increase to just the fire protection rate, based on figures provided by Mr. Peters that the tax payment on a \$150,000 home was \$191 in 2008, will be \$588 in 2009 and \$346 in 2010 once they are no longer paying back the prior year's loan and COIT dollars kick-in. Mr. Peters shared that the taxpayers will incur the same costs if the loan is taken out without the benefit of COIT funds. He also stated that the community is aware of the changes. Mr. Logston confirmed that there have been meetings with the public where they have gone line by line through the budget.

Mr. Peters shared that they now collect taxes from all of the geographic area of Whitestown for the fire protection with the exception of the TIF areas, because the township was already established when the area was TIF'ed, so Worth can get the base allocation, however any additional growth from Amazon and Medco and other areas will go to the county's TIF. He also commented that if Whitestown were to take over the fire services that they would be able to pancake their municipal rate and have access to the TIF dollars.

Mr. Kobe acknowledged that the rates would be higher without the property tax relief from HEA1001.

Mr. Logston pointed out that Worth Township and Whitestown thought it would be best if they kept their matters separate for right now and clarified that there is no connection between them right now. Mr. Kobe asked if he was saying that there was no way there would be a consolidation agreement reached in 2009. Mr. Logston replied, "Absolutely not."

Mr. Kobe asked what would happen if they got to the middle of the year and reached some type of agreement. Mr. Peters stated that if Whitestown were to take over services then Worth would relinquish taxes to them for the services. Mr. Kobe stated that it seemed that the LGTCB was to accept on good faith that this request was as bare-bones as could be and they would only use the funds necessary to provide the fire and emergency services. Mr. Vinson confirmed that the budget request was bare-bones.

Ms. Decker expressed her concerns that this change is permanent and there is little likelihood that the tax rate will come back down. She shared that at least with a loan, the fix would be temporary and they would have some time to work on creating alternatives.

Mr. Peters stated that the order could be written so that this could all be subject to review in 2010. Ms. Decker indicated that the Commissioner historically has not liked for them to make recommendations with those kinds of strings attached. Mr. McLean shared that they could take out an emergency loan and see what happens in six months.

Mr. Jones asked what the county council's budget recommendation for 2009 budget. Mr. Logston responded that he believes the council president stated that they would approve the budget and then attach

any comments they got from the public onto that. Mr. Kobe asked if it was unanimous. Mr. Logston responded affirmatively.

Mr. Kobe asked about the \$300,000 and if that was mostly or about two-thirds personnel costs. Mr. Vinson concurred. Mr. Guest reemphasized their need for people to be in place who are full time. Mr. Jones then asked about discussion in Boone County about adopting the public safety LOIT. Mr. Guest said not that he is aware of.

Mr. McLean asked about the fiscal body that voted 2-1 and asked more detail about why the dissenting vote was cast. Mr. Guest explained that there was an agreement that he was going to vote for a budget that was \$1.4 million when he met with the fire chief before hand, and then during the vote for a budget of \$878,000, he changed his mind.

Mr. Kobe added that he is greatly concerned by the size of the increase, but can't make a judgment about its appropriateness without all of the financial information before him. Mr. Jones suggested that they go with the loan for one more year and in the interim work toward an agreement with the Town of Whitestown for consolidation. Ms. Decker stated that more work needs to be done on this.

Mr. Kobe makes a motion to recommend approval of the appeal in an amount not to exceed \$500,000. Ms. Decker asked for a second, but seeing none declared that the motion dies due to lack of a second.

Mr. Jones makes a motion to recommend denial of the appeal in order to provide them with another year of temporary relief so that they can have more time to come up with a more permanent solution. Mr. Kobe stated his desire to keep this moving forward and offered a second.

Motion carried 3-0.

## **Town of Whitestown**

### **Boone County**

#### *Extension of Service, Annexation, and 3-year growth Appeal*

Summary: The unit is requesting the opportunity to raise the property tax levy \$586,020 for annexation, \$2,263,149 for extension of service and \$133,019 for 3 year growth (\$2,982,188 total). The annexation is primarily to cover the costs of infrastructure needed to develop two projects referred to as Anson and Eagles Nest. The Town has also annexed the township, allowing it to control and extend fire service into the town. The Extension of Service request is to build and man 2 new fire stations for 24 hours a day, 7 days a week, to serve the newly expanded towns' needs. The 3-year growth appeal can not be resolved at this time as the DLGF has not created the state-wide factor.

2009 (Projected) Net AV	\$224,554,608		
Unit Rate Impact	0.5963		
District Rate impact	1.78%		
2008 Levy (all funds)	\$358,802		
2009 Proposed Levy (all funds)	\$1,140,109		
Advertised:	\$1,750,000	Fire Fund	10/25/2008
	Unclear	General Fund	10/25/2008
	\$150,000	MVH fund	10/25/2008

**Present for the hearing:** Eric Reedy, Financial Advisor; Jason Tribby, Whitestown Council President.

**Comments:** Mr. Jason Tribby stated the Whitestown would be withdrawing their appeal for extension of services or consolidation. He asked that they still be considered for the annexation appeal as well as the three-year growth appeal. Mr. McLean informed him that decisions had been rendered on those two appeals. For the annexation appeal the LGTCB recommended approval of the three-year growth factor appeal in the amount of \$140,306, by a vote of 4-0-1. In the case of the annexation appeal in the amount of \$559,894, the LGTCB decided to move this forward to the Commissioner without recommendation, also by a vote of 4-0-1.

Ms. Decker added that she hopes that they will be able to reach some agreement with Worth Township to consolidate services. She shared that the Board sees a need.

Mr. Kobe agreed and informed them of the denial of the Worth Township appeal and stated that the hope is that it will give them time to work out something between the two areas.

Mr. Tribby stated that they hope to be consolidated as well.

Mr. Kobe moved for adjournment of the proceedings at 12:57 PM.

Mr. Jones seconded.

**Comments:** Mr. McLean stated that the next meeting is not scheduled until last Thursday in February and if for some reason he would need to see the Board in January, it would be the last Thursday in the January. He asked them to please hold that date.